

STATE OF WASHINGTON



OFFICE OF
INSURANCE COMMISSIONER

In the Matter of:

TRAVEL GUARD GROUP, INC.,

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No. D 02 - 127

**ORDER TO CEASE
AND DESIST**

Pursuant to RCW 48.02.080, 48.30.010, RCW 48.30.040, RCW 48.30.060, RCW 48.18.100, RCW 48.19.020, and RCW 48.19.040, the Office of the Insurance Commissioner ("OIC") orders Travel Guard Group, Inc. ("Travel Guard"), and its officers, directors, employees, trustees, agents, and affiliates ("Respondents") to immediately cease and desist from:

- A. Soliciting Washington residents to purchase any plan, policy, or certificate of coverage for travel insurance for which the appropriate forms have not been submitted to, and approved by, the Office of the Insurance Commissioner;
- B. Soliciting Washington residents to purchase any plan, policy, or certificate of coverage for travel insurance for which the rates have not been submitted to, and approved by, the Office of the Insurance Commissioner;
- C. Issuing certificates of coverage to Washington residents for travel insurance for which the appropriate rates and forms have not been submitted to, and approved by, the Office of the Insurance Commissioner; and
- D. Representing to Washington residents that Respondent Travel Guard Group, Inc., Travel Guard International, or any other "Travel Guard" company is an insurer or insurance company.

This Order shall not prevent Respondents from processing and paying claims or otherwise fulfilling contractual commitments to insureds who purchased travel insurance prior to the date of this Order.

THIS ORDER IS BASED ON THE FOLLOWING:

1. Violation of RCW 48.18.100, Forms of policies to be filed for approval by the Commissioner. RCW 48.18.100 requires that forms of policies be filed with, and approved by, the Commissioner prior to use and that no such form shall knowingly be so issued or delivered as to which the Commissioner's approval does not then exist. Travel Guard Group, Inc. has been selling travel insurance in Washington and to Washington residents since prior to 1997.

Travel Guard is appointed by Insurance Company of North America and sells certificates of coverage directly and through subagents in Washington. In 2001, Travel Guard had 51 wholesale accounts in Washington through which 84,719 individuals obtained travel insurance. In addition, thousands of certificates of travel insurance involving Travel Guard's retail products have been sold directly in Washington and to Washington residents by Travel Guard or Travel Guard's subagents. By contract with Insurance Company of North America, Travel Guard Group, Inc. agreed not to sell unapproved travel insurance products in states requiring form and/or rate approval. Travel Guard has further been instructed by Insurance Company of North America to cease sales of its unapproved travel insurance products in Washington. Travel Guard Group, Inc. none the less has knowingly issued and delivered to Washington residents and is continuing to knowingly issue and deliver to Washington residents certificates of coverage under a group master policy or policies issued by Insurance Company of North America for which the applicable forms have not been approved by the Commissioner.

2. RCW 48.19.040, Rates to be filed. RCW 48.19.040 requires that every insurer, before using, file its rates for review by the Commissioner. Travel Guard Group, Inc. is knowingly selling and issuing to Washington residents and has knowingly sold and issued to Washington residents certificates of coverage under a group master policy or policies issued by Insurance Company of North America to Travel Guard Group, Inc., charging and using premium rates that have not been approved by the Commissioner.
3. Violation of RCW 48.30.010, Unfair Practices, 48.30.040, False Information and advertising, and RCW 38.30.060, Deceptive use of insurer name. These code provisions provide that no person shall knowingly make, publish, or disseminate any false, deceptive or misleading representation or advertising in the conduct of the business of insurance, or relative to the business of insurance and that no person who is not an insurer shall assume or use any name which deceptively infers or suggests that it is an insurer. Respondent Travel Guard Group, Inc. has solicited and continues to solicit Washington residents to purchase and Washington insurance agents to sell insurance products underwritten by Insurance Company of North America using advertising claiming, among other things, that "Travel Guard International is America's leading travel insurance company insuring million (sic) travelers each year." Neither Travel Guard International, Travel Guard Group, Inc., nor any other company with "Travel Guard" in its name is an authorized insurer in the State of Washington, and said advertisements are false, deceptive and misleading and falsely and deceptively state, infer and suggest that "Travel Guard International" and/or Travel Guard Group, Inc. is an insurer.

Any violation of the terms of this Order by Respondents, their officers, directors, agents, or affiliates, will render the violator(s) subject to the full penalties authorized by RCW 48.02.080, 48.17.530, and other applicable Code sections.

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Respondents have the right to demand a hearing pursuant to RCW Chapters 48.04 and 34.05.
This Order shall remain in effect subject to the further order of the Commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY, AND IS ENTERED AT TUMWATER,
WASHINGTON, this 8th day of August, 2002.

MIKE KREIDLER
Insurance Commissioner

By:

CHARLES D. BROWN
Legal Affairs Division